

AMENDED IN ASSEMBLY APRIL 14, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 266**

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**Introduced by Assembly Member Cooley  
(Coauthor: Assembly Member Lackey)**

February 10, 2015

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An act to amend Section 2220.05 of, to add Article 25 (commencing with Section 2525) to Chapter 5 of Division 2 of, and to add Part 5 (commencing with Section 18100) to Division 7 of, the Business and Professions Code, to add Section 23028 to the Government Code, to amend Section 11362.775 of, and to add Article 8 (commencing with Section 111658) to Chapter 6 of Part 5 of Division 104 of, the Health and Safety Code, and to amend Section 1155.7 of, and to add Sections 1158.5 and 3094 to, the Labor Code, relating to medical marijuana, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 266, as amended, Cooley. Medical marijuana.

(1) Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 6, 1996, statewide general election, authorizes the use of marijuana for medical purposes. Existing law enacted by the Legislature requires the establishment of a program for the issuance of identification cards to qualified patients so that they may lawfully use marijuana for medical purposes, and requires the establishment of guidelines for the lawful cultivation of marijuana grown for medical use. Existing law provides for the licensure of various professions by the Department of Consumer Affairs. Existing law, the Sherman Food, Drug, and Cosmetic Law,

provides for the regulation of food, drugs, devices, and cosmetics, as specified. A violation of that law is a crime.

This bill would establish within the Department of Consumer Affairs a Bureau of Medical Marijuana Regulation, under the supervision and control of the Chief of the Bureau of Medical Marijuana Regulation, and would require the bureau to license and regulate dispensing facilities, cultivation sites, transporters, and manufacturers of medical marijuana and medical marijuana products, subject to local ordinances. The bill would require a background check of applicants for licensure, as defined, to be administered by the Department of Justice, and submission of a statement signed by an applicant, under penalty of perjury, that the information on his or her application is true, thereby creating a crime and imposing a state-mandated local program. Violation of the provisions related to applying for a conditional license would be punishable by a civil fine of up to \$35,000 for each individual violation, or as otherwise specified.

The bill would make conditional licenses subject to the restrictions of the local jurisdiction in which the facility operates or proposes to operate. The bill would set forth provisions related to the transportation, testing, and distribution of medical marijuana. The bill would prohibit the distribution of any form of advertising for physician recommendations for medical marijuana, unless the advertisement bears a specified notice and requires that the advertisement meet specified requirements and not be fraudulent, deceitful, or misleading.

*The bill would require the State Department of Public Health to promulgate standards for the certification of testing laboratories to perform random sample testing of all medical marijuana products, including standards for onsite testing.*

The bill would establish a system, including apprenticeship and certification, for cannabis employees. The bill would require the Division of Labor Standards Enforcement to maintain and enforce minimum standards of competency and training and to certify cannabis employees. The bill would require the division to establish a cannabis curriculum certification committee to establish educational curriculum standards and to oversee educational providers of cannabis curriculum. The bill would require the Division of Occupational Health and Safety to develop industry-specific regulations for facilities issued a conditional license and would specify that those regulations govern agreements between a facility *with more than 20 employees* issued a conditional license and labor.

The bill would establish the Medical Marijuana Regulation Fund and would require the deposit of specified fees collected pursuant to this act into the fund. The bill would continuously appropriate moneys from the fund to the bureau for the purposes of administering this act, thereby making an appropriation. The bill would also establish the Special Account for Environmental Enforcement within the Medical Marijuana Fund. This account would contain money from fees assessed against licensed cultivation facilities and would be continuously appropriated for the enforcement of environmental regulations relating to licensed cultivation sites. The bill would require the deposit of penalty moneys collected pursuant to this bill into the General Fund.

The bill would provide that it shall not supersede provisions of Measure D, as approved by the voters of the City of Los Angeles, as specified.

The bill would authorize a city, county, or city and county to administer and enforce these provisions. The bill would require the bureau to establish quality assurance protocols by July 1, 2017, to ensure uniform testing standards of medical marijuana, and would require licensees to comply with these provisions. The bill would further set forth provisions regulating edible medical marijuana products, as specified. By adding these provisions to the Sherman Food, Drug, and Cosmetic Law, a violation of which is a crime, the bill would impose a state-mandated local program.

(2) Existing law establishes the Division of Apprenticeship Standards, which audits and regulates apprenticeship programs for various trades, including electricians.

This bill would require the division to investigate, approve, or reject applications for apprenticeship employees of a licensed cultivation site or a licensed dispensing facility, as defined.

(3) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Existing law requires the board to prioritize investigations and prosecutions of physicians and surgeons representing the greatest threat of harm, as specified. Existing law identifies the cases that are to be given priority, which include cases of repeated acts of excessively prescribing, furnishing, or administering controlled substances without a good faith prior examination of the patient. Existing law provides that a violation of the Medical Practice Act is a crime.

This bill would require the board to consult with the Center for Medicinal Cannabis Research on developing and adopting medical guidelines for the appropriate administration and use of marijuana.

The bill would also make it a misdemeanor for a physician and surgeon who recommends marijuana to a patient for a medical purpose to accept, solicit, or offer any remuneration from or to a licensed dispensing facility in which the physician and surgeon or his or her immediate family has a financial interest. By creating a new crime, the bill would impose a state-mandated local program.

The bill would provide that specified acts of recommending marijuana for medical purposes without a good faith examination are among the types of cases that should be given priority for investigation and prosecution by the board, as described above. The bill would further prohibit a physician and surgeon from recommending medical marijuana to a patient unless that person is the patient's attending physician, as defined. Because a violation of that provision would be a crime, the bill would impose a state-mandated local program.

(4) Existing law authorizes the legislative body of a city or county to impose various taxes, including a transactions and use tax at a rate of 0.25%, or a multiple thereof, if approved by the required vote of the legislative body and the required vote of qualified voters, and limits the combined rate of transactions and use taxes within a city or county to 2%.

This bill would authorize the board of supervisors of a county to impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or products containing marijuana. The bill would authorize the tax to be imposed for either general or specific governmental purposes. The bill would require a tax imposed pursuant to this authority to be subject to any applicable voter approval requirement.

(5) Existing law exempts qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards from certain crimes, including possession of concentrated cannabis and marijuana, cultivation of marijuana, and possession of marijuana for sale.

This bill would also exempt from those crimes an employee, officer, or board member of a licensed cultivation site or a licensed dispensing facility, except as specified.

(6) Existing law regulates the labor practices of agricultural employers.

This bill would include licensed cultivation sites and licensed dispensing facilities in the definition of agricultural employer.

(7) This bill would provide that its provisions are severable.

(8) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) In 1996, the people of the State of California enacted the  
4 Compassionate Use Act of 1996, codified in Section 11362.5 of  
5 the Health and Safety Code. The people of the State of California  
6 declared that their purpose in enacting the measure was, among  
7 other things, “to ensure that seriously ill Californians have the  
8 right to obtain and use marijuana for medical purposes where that  
9 medical use is deemed appropriate and has been recommended by  
10 a physician who has determined that the person’s health would  
11 benefit from the use of marijuana in the treatment of cancer,  
12 anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis,  
13 migraine, or any other illness for which marijuana provides relief.”

14 (b) The Compassionate Use Act of 1996 called on state  
15 government to implement a plan for the safe and affordable  
16 distribution of marijuana to all patients in medical need of  
17 marijuana, while ensuring that nothing in that act would be  
18 construed to condone the diversion of marijuana for nonmedical  
19 purposes.

1 (c) In 2003, the Legislature enacted the Medical Marijuana  
2 Program Act (MMPA), codified in Article 2.5 (commencing with  
3 Section 11362.7) of Chapter 6 of Division 10 of the Health and  
4 Safety Code.

5 (d) Greater certainty and minimum statewide standards are  
6 urgently needed regarding the obligations of medical marijuana  
7 facilities, and for the imposition and enforcement of regulations  
8 to prevent unlawful cultivation and the diversion of marijuana to  
9 nonmedical use.

10 (e) Despite the passage of the Compassionate Use Act of 1996  
11 and the MMPA, because of the lack of an effective statewide  
12 system for regulating and controlling medical marijuana, cities,  
13 counties and local law enforcement officials have been confronted  
14 with uncertainty about the legality of some medical marijuana  
15 cultivation and distribution activities. The current state of affairs  
16 makes law enforcement difficult and endangers patient safety  
17 because of an inability to monitor the supply of medical marijuana  
18 in the state and the lack of quality control, testing, and labeling  
19 requirements.

20 (f) The California Constitution grants cities and counties the  
21 authority to make and enforce, within their borders, “all local  
22 police, sanitary, and other ordinances and regulations not in conflict  
23 with the general laws.” This inherent local police power includes  
24 broad authority to determine, for purposes of public health, safety,  
25 and welfare, the appropriate uses of land within the local  
26 jurisdiction’s borders. The police power, therefore, allows each  
27 city and county to determine whether or not a medical marijuana  
28 dispensary or other facility that makes medical marijuana available  
29 may operate within its borders. This authority has been upheld by  
30 *City of Riverside v. Inland Empire Patients Health and Wellness*  
31 *Center, Inc.* (2013) 56 Cal.4th 729 and *County of Los Angeles v.*  
32 *Hill* (2011) 192 Cal.App.4th 861. Nothing in this act shall diminish,  
33 erode, or modify that authority.

34 (g) If a city or county determines that a dispensary or other  
35 facility that makes medical marijuana available may operate within  
36 its borders, then there is a need for the state to license these  
37 dispensaries and other facilities for the purpose of adopting and  
38 enforcing protocols for security standards at dispensaries and in  
39 the transportation of medical marijuana, as well as health and safety  
40 standards to ensure patient safety. This licensing requirement is

1 not intended in any way nor shall it be construed to preempt local  
2 ordinances, regulations, or enforcement actions regarding the sale  
3 and use of medical marijuana, including, but not limited to,  
4 security, signage, lighting, and inspections.

5 (h) All of the following are necessary to uphold important state  
6 goals:

7 (1) Strict provisions to prevent the potential diversion of  
8 marijuana for recreational use.

9 (2) Audits to accurately track the volume of both product  
10 movement and sales.

11 (3) An effective means of restricting nonmedical access to  
12 medical marijuana by minors.

13 (i) Nothing in this act shall be construed to promote or facilitate  
14 the nonmedical, recreational possession, sale, or use of marijuana.

15 (j) Nothing in this act shall have a diminishing effect on the  
16 rights and protections granted to a patient or primary caregiver  
17 pursuant to the Compassionate Use Act of 1996.

18 SEC. 2. Section 2220.05 of the Business and Professions Code  
19 is amended to read:

20 2220.05. (a) In order to ensure that its resources are maximized  
21 for the protection of the public, the Medical Board of California  
22 shall prioritize its investigative and prosecutorial resources to  
23 ensure that physicians and surgeons representing the greatest threat  
24 of harm are identified and disciplined expeditiously. Cases  
25 involving any of the following allegations shall be handled on a  
26 priority basis, as follows, with the highest priority being given to  
27 cases in the first paragraph:

28 (1) Gross negligence, incompetence, or repeated negligent acts  
29 that involve death or serious bodily injury to one or more patients,  
30 such that the physician and surgeon represents a danger to the  
31 public.

32 (2) Drug or alcohol abuse by a physician and surgeon involving  
33 death or serious bodily injury to a patient.

34 (3) Repeated acts of clearly excessive prescribing, furnishing,  
35 or administering of controlled substances, or repeated acts of  
36 prescribing, dispensing, or furnishing of controlled substances, or  
37 recommending marijuana to patients for medical purposes, without  
38 a good faith prior examination of the patient and medical reason  
39 therefor. However, in no event shall a physician and surgeon  
40 prescribing, furnishing, or administering controlled substances for

1 intractable pain consistent with lawful prescribing, including, but  
2 not limited to, Sections 725, 2241.5, and 2241.6 of this code and  
3 Sections 11159.2 and 124961 of the Health and Safety Code, be  
4 prosecuted for excessive prescribing and prompt review of the  
5 applicability of these provisions shall be made in any complaint  
6 that may implicate these provisions.

7 (4) Sexual misconduct with one or more patients during a course  
8 of treatment or an examination.

9 (5) Practicing medicine while under the influence of drugs or  
10 alcohol.

11 (b) The board may by regulation prioritize cases involving an  
12 allegation of conduct that is not described in subdivision (a). Those  
13 cases prioritized by regulation shall not be assigned a priority equal  
14 to or higher than the priorities established in subdivision (a).

15 (c) The Medical Board of California shall indicate in its annual  
16 report mandated by Section 2312 the number of temporary  
17 restraining orders, interim suspension orders, and disciplinary  
18 actions that are taken in each priority category specified in  
19 subdivisions (a) and (b).

20 SEC. 3. Article 25 (commencing with Section 2525) is added  
21 to Chapter 5 of Division 2 of the Business and Professions Code,  
22 to read:

23  
24 Article 25. Recommending Medical Marijuana  
25

26 2525. (a) It is unlawful for a physician and surgeon who  
27 recommends marijuana to a patient for a medical purpose to accept,  
28 solicit, or offer any form of remuneration from or to a facility  
29 issued a conditional license pursuant to Part 5 (commencing with  
30 Section 18100) of Division 7, if the physician and surgeon or his  
31 or her immediate family have a financial interest in that facility.

32 (b) For the purposes of this section, “financial interest” shall  
33 have the same meaning as in Section 650.01.

34 (c) A violation of this section shall be a misdemeanor.

35 2525.1. The Medical Board of California shall consult with  
36 the California Marijuana Research Program, known as the Center  
37 for Medicinal Cannabis Research, authorized pursuant to Section  
38 11362.9 of the Health and Safety Code, on developing and adopting  
39 medical guidelines for the appropriate administration and use of  
40 medical marijuana.



1 2525.2. A physician and surgeon shall not recommend medical  
2 marijuana to a patient, unless that person is the patient's attending  
3 physician, as defined by subdivision (a) of Section 11362.7 of the  
4 Health and Safety Code.

5 2525.3. An examination conducted by the physician and  
6 surgeon involving the use of telehealth as defined in Section 2290.5  
7 of the Business and Professions Code, shall comply with applicable  
8 federal and state laws and regulations, including compliance with  
9 the regulations promulgated pursuant to the Health Insurance  
10 Portability and Accountability Act of 1996, found ~~at~~ *in* Parts 160  
11 and 164 of Title 45 of the Code of Federal Regulations.

12 SEC. 4. Part 5 (commencing with Section 18100) is added to  
13 Division 7 of the Business and Professions Code, to read:

14  
15 PART 5. MEDICAL MARIJUANA

16  
17 CHAPTER 1. GENERAL PROVISIONS

18  
19 18100. For purposes of this part, the following definitions shall  
20 apply:

21 (a) "Bureau" means the Bureau of Medical Marijuana Regulation  
22 in the Department of Consumer Affairs.

23 (b) "Certified testing laboratory" means a laboratory that is  
24 certified by the bureau to perform random sample testing of  
25 medical marijuana pursuant to the certification standards for these  
26 facilities promulgated by the bureau.

27 (c) "Chief" means the Chief of the Bureau of Medical Marijuana  
28 Regulation.

29 (d) "Department" means the Department of Consumer Affairs.

30 (e) "Director" means the Director of Consumer Affairs.

31 (f) "Dispensary" means a distribution operation that provides  
32 medical marijuana or medical marijuana derived products to  
33 patients and caregivers.

34 (g) "Fund" means the Medical Marijuana Regulation Fund  
35 established pursuant to Section 18118.

36 (h) "Labor peace agreement" means an agreement between an  
37 entity and a bona fide labor organization that, at a minimum,  
38 protects the state's proprietary interests by prohibiting labor  
39 organizations and members from engaging in picketing, work  
40 stoppages, boycotts, and any other economic interference with the

1 applicant's business. The agreement means that the applicant has  
2 agreed not to disrupt efforts by the bona fide labor organization  
3 to communicate with, and attempt to organize and represent, the  
4 applicant's employees.

5 (i) "Licensed cultivation site" means a facility that plants, grows,  
6 cultivates, harvests, dries, or processes medical marijuana, *or that*  
7 *does all or any combination of those activities*, and that is issued  
8 a conditional license pursuant to this part.

9 (j) "Licensed dispensing facility" means a dispensary or other  
10 facility that provides medical marijuana, medical marijuana  
11 products, or devices for the use of medical marijuana or medical  
12 marijuana products, *either individually or in any combination*, that  
13 is issued a conditional license pursuant to this part.

14 (k) "Licensed manufacturer" means a person who extracts,  
15 prepares, derives, produces, compounds, or repackages medical  
16 marijuana or medical marijuana products into consumable and  
17 nonconsumable forms, *or that does all or any combination of those*  
18 *activities*, and that is issued a conditional license pursuant to this  
19 part.

20 (l) "Licensed transporter" means an individual or entity issued  
21 a conditional license by the bureau to transport medical marijuana  
22 to and from facilities that have been issued conditional licenses  
23 pursuant to this part.

24 (m) "Marijuana" means all parts of the plant *Cannabis sativa*,  
25 *cannabis indica*, or *cannabis ruderalis*, whether growing or not;  
26 the seeds thereof; the resin, whether crude or purified, extracted  
27 from any part of the plant; and every compound, manufacture, salt,  
28 derivative, mixture, or preparation of the plant, its seeds, or resin.  
29 "Marijuana" does not include the mature stalks of the plant, fiber  
30 produced from the stalks, oil or cake made from the seeds of the  
31 plant, any other compound, manufacture, salt, derivative, mixture,  
32 or preparation of the mature stalks (except the resin extracted  
33 therefrom), fiber, oil, or cake, or the sterilized seed of the plant  
34 which is incapable of germination. "Marijuana" also means  
35 marijuana, as defined by Section 11018 of the Health and Safety  
36 Code.

37 18101. (a) There is hereby created in the Department of  
38 Consumer Affairs the Bureau of Medical Marijuana Regulation,  
39 under the supervision and control of the Chief of the Bureau of  
40 Medical Marijuana Regulation.

1 (b) Protection of the public shall be the highest priority for the  
2 bureau in exercising its licensing, regulatory, and disciplinary  
3 functions. Whenever the protection of the public is inconsistent  
4 with other interests sought to be promoted, the protection of the  
5 public shall be paramount.

6 (c) The bureau shall have the authority to issue conditional  
7 licenses for the cultivation, manufacture, transportation, storage,  
8 distribution, and sale of medical marijuana within the state and to  
9 collect fees in connection with these actions. The bureau shall have  
10 the authority to create other licenses in order to protect patient  
11 health and the public and to facilitate the regulation of medical  
12 marijuana.

13 (d) The Governor shall appoint the chief at a salary to be fixed  
14 and determined by the director with the approval of the Director  
15 of Finance. The chief shall serve in accordance with the State Civil  
16 Service Act (Part 2 (commencing with Section 18500) of Division  
17 5 of Title 2 of the Government Code).

18 (e) The duty of enforcing and administering this part shall be  
19 vested in the chief, who is responsible to the director. The chief  
20 may adopt and enforce those rules and regulations that he or she  
21 determines are reasonably necessary to carry out the purposes of  
22 this part and declaring the policy of the bureau, including a system  
23 for the issuance of citations for violations of this part, as specified  
24 in Section 18126.

25 (f) The chief, as necessary to carry out the provisions of this  
26 part, and in accordance with the State Civil Service Act (Part 2  
27 (commencing with Section 18500) of Division 5 of Title 2 of the  
28 Government Code), may appoint and fix the compensation of  
29 personnel, including, but not limited to, clerical, inspection,  
30 investigation, and auditing personnel, as well as an assistant chief.  
31 These personnel shall perform their respective duties under the  
32 supervision and the direction of the chief.

33 (g) Every power granted to, or duty imposed upon, the chief  
34 under this part may be exercised or performed in the name of the  
35 chief by a deputy or assistant chief, subject to conditions and  
36 limitations that the chief prescribes.

37 (h) The bureau shall exercise its authority pursuant to this part  
38 consistent with Section 1 of the act that added this section and  
39 consistent with the provisions of this part.

1 18102. Funds for the establishment and support of the bureau  
2 shall be advanced as a loan by the department and shall be repaid  
3 by the initial proceeds from fees collected pursuant to this part or  
4 any rule or regulation adopted pursuant to this part.

5 18103. The bureau shall have the authority necessary for the  
6 implementation of this part, including, but not limited to, all of  
7 the following:

8 (a) Establishing rules or regulations necessary to carry out the  
9 purposes and intent of this part and to enable the bureau to exercise  
10 the powers and perform the duties conferred upon it by this part  
11 and in accordance with Chapter 3.5 (commencing with Section  
12 11340) of Part 1 of Division 3 of Title 2 of the Government Code.  
13 *These rules and regulations shall not limit the authority of a city,*  
14 *county, or city and county specified in Section 18128, or specified*  
15 *in Section 7 of Article XI of the California Constitution, or any*  
16 *other law.* For the performance of its duties, the bureau has the  
17 powers as set forth in Article 2 (commencing with Section 11180)  
18 of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government  
19 Code.

20 (b) Issuing conditional licenses to persons for the cultivation,  
21 manufacture, transportation, storage, distribution, and sale of  
22 medical marijuana within the state.

23 (c) Setting application, licensing, and renewal fees for  
24 conditional licenses issued pursuant to Section 18117.

25 (d) Establishing standards for the cultivation, manufacturing,  
26 transportation, storage, distribution, provision, donation, and sale  
27 of medical marijuana and medical marijuana products.

28 (e) Establishing procedures for the issuance, renewal,  
29 suspension, denial, and revocation of conditional licenses.

30 (f) Imposing a penalty authorized by this part or any rule or  
31 regulation adopted pursuant to this part.

32 (g) Taking action with respect to an application for a conditional  
33 license in accordance with procedures established pursuant to this  
34 part.

35 (h) Overseeing the operation of the Medical Marijuana  
36 Regulation Fund and the Special Account for Environmental  
37 Enforcement, established pursuant to Section 18118.

38 (i) Consulting with other state or local agencies, departments,  
39 representatives of the medical marijuana community, or public or

1 private entities for the purposes of establishing statewide standards  
2 and regulations.

3 (j) Certifying laboratories to perform testing of medical  
4 marijuana.

5 18104. (a) On or before July 1, 2017, the bureau shall  
6 promulgate regulations for implementation and enforcement of  
7 this part, including, but not limited to, all of the following:

8 (1) Procedures for the issuance, renewal, suspension, denial,  
9 and revocation of conditional licenses.

10 (2) Procedures for appeal of fines and the appeal of denial,  
11 suspension, or revocation of conditional licenses.

12 (3) Application, licensing, and renewal forms and fees.

13 (4) A time period in which the bureau shall approve or deny an  
14 application for a conditional license pursuant to this part.

15 (5) Qualifications for licensees.

16 ~~(6) Standards for certification of testing laboratories to perform~~  
17 ~~random sample testing of all medical marijuana products, including~~  
18 ~~standards for onsite testing.~~

19 ~~(A) Certification of testing laboratories shall be consistent with~~  
20 ~~general requirements for the competence of testing and calibration~~  
21 ~~activities, including sampling, using standard methods established~~  
22 ~~by the International Organization for Standardization, specifically~~  
23 ~~ISO/IEC 17025.~~

24 ~~(B) These requirements shall apply to all entities, including~~  
25 ~~third-party laboratories, engaged in the testing of medical marijuana~~  
26 ~~pursuant to this part.~~

27 ~~(7)~~

28 ~~(6) Requirements to ensure conformance with standards~~  
29 ~~analogous that all licensees and certified testing laboratories~~  
30 ~~conform with standards equivalent to state statutory environmental,~~  
31 ~~agricultural, consumer protection, and food and product safety~~  
32 ~~requirements. These standards shall be in addition to, and not~~  
33 ~~limited to, any other state and local requirements. At a minimum,~~  
34 ~~these standards shall do all of the following:~~

35 (A) Prescribe sanitation standards analogous to the California  
36 Retail Food Code (Part 7 (commencing with Section 113700) of  
37 Division 104 of the Health and Safety Code) for food preparation,  
38 storage, handling, and sale of edible medical marijuana products.

39 (B) Require that edible medical marijuana products produced,  
40 distributed, provided, donated, or sold by licensees shall be limited

1 to nonpotentially hazardous food, as established by the State  
2 Department of Public Health pursuant to Section 114365.5.

3 (C) Require that facilities in which edible medical marijuana  
4 products are prepared shall be constructed in accordance with  
5 applicable building standards, health and safety standards, and  
6 other state laws.

7 (D) Provide that weighing or measuring devices used in  
8 connection with the sale or distribution of medical marijuana are  
9 required to meet standards analogous to Division 5 (commencing  
10 with Section 12001).

11 (E) Require that the application of pesticides or other pest  
12 control in connection with the indoor or outdoor cultivation of  
13 medical marijuana shall meet standards analogous to Division 6  
14 (commencing with Section 11401) of the Food and Agricultural  
15 Code and its implementing regulations.

16 *(F) Require that indoor and outdoor marijuana cultivation by*  
17 *licensees is conducted in accordance with state and local laws*  
18 *and best practices related to land conversion, grading, electricity*  
19 *usage, water usage, agricultural discharges, and similar matters.*

20 *(7) Develop procedures to ensure that testing of marijuana*  
21 *occurs prior to delivery to dispensaries or any other business, and*  
22 *requiring destruction of harvested batches whose testing samples*  
23 *indicate noncompliance with health and safety standards*  
24 *promulgated by the bureau, unless remedial measures can bring*  
25 *the marijuana into compliance with quality assurance standards*  
26 *as promulgated by the bureau.*

27 *(8) Establish minimum standards for quality assurance protocols*  
28 *implemented by each licensed facility pursuant to Section 18138.*

29 (b) On or before July 1, 2017, the bureau shall also promulgate  
30 regulations for minimum statewide health and safety standards  
31 and quality assurance standards associated with the cultivation,  
32 transport, storage, manufacture, and sale of all medical marijuana  
33 produced in this state. Consistent with Section 18126, local  
34 agencies shall have primary responsibility for enforcement of these  
35 standards in accordance with bureau regulations.

36 (c) The bureau shall not issue a conditional license unless the  
37 applicant has met all of the requirements of this part, including the  
38 requirements of paragraph (4) of subdivision (d) of Section 18110.

39 *18104.5. (a) The State Department of Public Health shall*  
40 *promulgate standards for certification of testing laboratories to*

1 *perform random sample testing of all medical marijuana products,*  
2 *including standards for onsite testing.*

3 *(b) Certification of testing laboratories shall be consistent with*  
4 *general requirements for the competence of testing and calibration*  
5 *activities, including sampling, using standard methods established*  
6 *by the International Organization for Standardization, specifically*  
7 *ISO/IEC 17025.*

8 *(c) These requirements shall apply to all entities, including*  
9 *third-party laboratories, engaged in the testing of medical*  
10 *marijuana pursuant to this part.*

11 18105. The chief shall keep a complete record of all facilities  
12 issued a conditional license. ~~This record shall be made available~~  
13 ~~on the bureau's Internet Web site.~~ *The bureau shall, upon request,*  
14 *provide summary information on licensees consisting of the name*  
15 *of the licensee, the date the license was issued, the status of the*  
16 *license, and the licensee's mailing address.*

17 18106. The bureau shall establish procedures to provide state  
18 and local law enforcement, upon their request, with 24-hour access  
19 to information to verify a conditional license, track transportation  
20 manifests, and track the inventories of facilities issued a conditional  
21 license.

22 18107. This part shall in no way supersede the provisions of  
23 Measure D, approved by the voters of the City of Los Angeles on  
24 the May 21, 2013, ballot for the city, which granted medical  
25 marijuana businesses and dispensaries qualified immunity  
26 consistent with the terms of the measure and local ordinances.  
27 Notwithstanding the provisions of this part, marijuana businesses  
28 and dispensaries subject to the provisions of Measure D and its  
29 qualified immunity shall continue to be subject to the ordinances  
30 and regulations of the City of Los Angeles.

31  
32 CHAPTER 2. CONDITIONAL LICENSES  
33

34 18108. The following persons are exempt from the requirement  
35 of licensure under this part:

36 (a) A patient who cultivates, possesses, stores, manufactures,  
37 or transports marijuana exclusively for his or her personal medical  
38 use and who does not sell, distribute, donate, or provide marijuana  
39 to any other person or entity.

(b) A primary caregiver who cultivates, possesses, stores, manufactures, transports, or provides marijuana exclusively for the personal medical purposes to no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of Section 11362.7 of the Health and Safety Code and who does not receive remuneration for these activities, except for compensation in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code. Nothing in this section shall permit primary caregivers to organize themselves as cooperatives or collectives of caregivers.

18109. (a) Except as provided in Section 11362.5 of, and Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of, the Health and Safety Code, a person shall not sell or provide medical marijuana to a patient or caregiver other than at a licensed dispensing facility or through delivery from a licensed dispensing facility.

(b) Except as provided in Section 11362.5 of, and Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of, the Health and Safety Code, a person shall not grow medical marijuana other than at a licensed cultivation site.

(c) Except as provided in Section 11362.5 of, and Article 2.5 (commencing with Section 11362.7) of Chapter 6 of Division 10 of, the Health and Safety Code, a person shall not manufacture medical marijuana or medical marijuana products other than a licensed manufacturer.

(d) A person shall not transport medical marijuana from one facility issued a conditional license to another, other than a licensed transporter.

(e) A licensed manufacturer may obtain medical marijuana from a licensed cultivator and may furnish medical marijuana products to a licensed dispensary.

(f) To meet the requirements of Article 8 (commencing with Section 111658) of Chapter 6 of Part 5 of Division 104 of the Health and Safety Code, medical marijuana and medical marijuana products shall be tested by a certified testing laboratory.

(g) *This section shall become operative on July 1, 2017.*

18110. (a) Beginning July 1, 2017, the bureau shall provide for and shall issue conditional licenses. Conditional licenses shall be ~~issued~~ *required* for all activity authorized under this chapter, including, but not limited to, cultivation, storage, transport, and



1 dispensing of medical marijuana. *A license issued pursuant to this*  
2 *chapter is subject to compliance with all local ordinances and*  
3 *regulations determined to be applicable by the local government*  
4 *of the jurisdiction in which the licensee operates.*

5 (b) The issuance of a conditional license shall not, in and of  
6 itself, authorize the recipient to begin business operations. The  
7 conditional license shall certify, at a minimum, that the applicant  
8 has paid the state conditional licensing fee, successfully passed a  
9 criminal background check, and met the state residency  
10 requirements.

11 ~~(c) In order to begin business operations pursuant to this chapter,~~  
12 ~~an applicant shall, in addition to the conditional license, obtain A~~  
13 *licensed facility shall not commence activity under the authority*  
14 *of a conditional license until the applicant has obtained, in addition*  
15 *to the conditional license, a license or permit from the local*  
16 *jurisdiction in which he or she proposes to operate, following the*  
17 *requirements of the applicable local ordinances.*

18 (d) An applicant for a conditional license shall do all following:

19 (1) Pay the fee or fees required by this part for each license  
20 being applied for.

21 (2) Register with the bureau on forms prescribed by the chief.  
22 The forms shall contain sufficient information to identify the  
23 licensee, including all of the following:

24 (A) Name of the owner or owners of a proposed facility,  
25 including all persons or entities having an ownership interest other  
26 than a security interest, lien, or encumbrance on property that will  
27 be used by the applicant.

28 (B) The name, address, and date of birth of each principal officer  
29 and board member.

30 (C) The address and telephone number of the proposed facility.

31 (D) In the case of a cultivation site, the GPS coordinates of the  
32 site.

33 *(E) In the case of a dispensary, the name and address of each*  
34 *licensed cultivation site and licensed manufacturer from which*  
35 *the dispensary will acquire or obtain medical marijuana or medical*  
36 *marijuana products.*

37 (3) Describe, in writing, the scope of business of the proposed  
38 facility.

39 (4) Provide evidence that the applicant and owner have been  
40 legal full-time residents of the state for not less than 12 months.

1 (5) Provide detailed operating procedures, in writing, for the  
2 proposed facility, which shall include, but not be limited to,  
3 procedures for facility and operational security, prevention of  
4 diversion, employee screening, storage of medical marijuana,  
5 personnel policies, and recordkeeping procedures.

6 (6) Provide the applicant's fingerprint images. For purposes of  
7 this paragraph, "applicant" means the owner or owners of a  
8 proposed facility, including all persons or entities having an  
9 ownership interest other than a security interest, lien, or  
10 encumbrance on property that will be used by the facility. *If the*  
11 *owner is an entity, fingerprints shall be submitted for each person*  
12 *participating in the direction, control, or management of, or having*  
13 *a financial interest in, the proposed facility.*

14 (A) The applicant shall electronically submit to the Department  
15 of Justice fingerprint images and related information required by  
16 the Department of Justice for the purpose of obtaining information  
17 as to the existence and content of a record of state or federal  
18 convictions and arrests, and information as to the existence and  
19 content of a record of state or federal convictions and arrests for  
20 which the Department of Justice establishes that the person is free  
21 on bail, or on his or her own recognizance, pending trial or appeal.

22 (B) The Department of Justice shall provide a response to the  
23 bureau pursuant to paragraph (1) of subdivision (p) of Section  
24 11105 of the Penal Code.

25 (C) The bureau shall request from the Department of Justice  
26 subsequent notification service, as provided pursuant to Section  
27 11105.2 of the Penal Code, for persons described in subparagraph  
28 (A).

29 (D) The Department of Justice shall charge the applicant a fee  
30 sufficient to cover the reasonable cost of processing the requests  
31 described in this paragraph.

32 (7) *Identify all local ordinances applicable to the operation of*  
33 *the proposed facility, and provide evidence that the proposed*  
34 *facility is a permitted use at the proposed location under local*  
35 *zoning and other ordinances.*

36 ~~(7)~~

37 (8) Provide a statement, signed by the applicant under penalty  
38 of perjury, that the information provided is true.

39 ~~(8)~~

40 (9) Provide any other information required by the bureau.

1 (e) Each location and each discrete use of a single location shall  
2 require a conditional license. Each application for a conditional  
3 license is separate and distinct, and the bureau may charge a  
4 separate fee for each.

5 (f) A conditional license issued pursuant to this section shall be  
6 valid for 12 months after the date of issuance. The bureau shall  
7 establish procedures for the renewal of a conditional license.

8 (g) *A conditional license issued pursuant to this section shall*  
9 *be restricted as follows:*

10 (1) *A single licensee shall not hold both a license for the*  
11 *cultivation of marijuana and a license for the dispensing of*  
12 *marijuana unless the cultivation site is restricted to 1,000 square*  
13 *feet in area.*

14 (2) *The holder of a license for transport of marijuana may not*  
15 *hold any other category of license.*

16 (3) *The holder of a certification for a testing laboratory may*  
17 *not combine that certificate with any category of license.*

18 (4) *Persons or entities that own testing laboratories are*  
19 *prohibited from licensure for any activity authorized under this*  
20 *chapter, and are prohibited from holding an ownership interest*  
21 *in any real property, personal property, or other assets associated*  
22 *or used in any license category.*

23 18111. (a) Upon receipt of the application materials and fee  
24 required in Section 18110, the bureau, provided the applicant has  
25 not committed an act or crime constituting grounds for the denial  
26 of licensure under Section 18112, may issue the conditional license  
27 and send a proof of issuance to the applicant.

28 (b) The chief shall, by regulation, prescribe conditions upon  
29 which a person whose conditional license has previously been  
30 denied, suspended, or revoked, may be issued a conditional license.

31 18112. (a) An application for a conditional license shall be  
32 denied and a conditional license shall be suspended or revoked for  
33 a past felony conviction for the possession for sale, sale,  
34 manufacture, transportation, or cultivation of a controlled  
35 substance, a felony criminal conviction for drug trafficking, a  
36 felony conviction for embezzlement, a felony conviction involving  
37 fraud or deceit, or any violent or serious felony conviction pursuant  
38 to subdivision (c) of Section 667.5 of, or subdivision (c) of Section  
39 1192.7 of, the Penal Code. The bureau, at its discretion, may issue  
40 a license to an applicant that would be otherwise denied pursuant

1 to this subdivision if the applicant has obtained a certificate of  
2 rehabilitation, pursuant to Section 4852.13 of the Penal Code.

3 (b) The chief, upon his or her determination, may deny, suspend,  
4 or revoke a conditional license when a conditional licensee,  
5 applicant, or employee, partner, officer, or member of an entity  
6 conditionally licensed does any of the following:

7 (1) Making or authorizing in any manner or by any means a  
8 written or oral statement that is untrue or misleading and that is  
9 known, or that by exercise of reasonable care should be known,  
10 to be untrue or misleading.

11 (2) Any other conduct that constitutes fraud.

12 (3) Conduct constituting gross negligence.

13 (4) Failure to comply with the provisions of this part, Article 8  
14 (commencing with Section 111658) of Chapter 6 of Part 5 of  
15 Division 104 of the Health and Safety Code, or any rule or  
16 regulation adopted pursuant to this part.

17 (5) Conduct that constitutes grounds for denial of licensure  
18 pursuant to Chapter 2 (commencing with Section 480) of Division  
19 1.5.

20 (6) *Violation of any applicable local ordinance.*

21 18113. (a) Upon denying, suspending, or revoking a  
22 conditional license, the chief shall notify the applicant or licensee,  
23 in writing, by personal service or mail addressed to the address of  
24 the applicant or licensee set forth in the application. The applicant  
25 or licensee shall be given a hearing within 30 days thereafter if he  
26 or she files with the bureau a written request for hearing. Otherwise,  
27 the denial, suspension, or revocation is deemed affirmed.

28 (b) All proceedings to deny, suspend, or revoke a conditional  
29 license shall be conducted pursuant to Chapter 5 (commencing  
30 with Section 11500) of Part 1 of Division 3 of Title 2 of the  
31 Government Code.

32 18114. An application for or renewal of a license shall not be  
33 approved if the bureau determines any of the following:

34 (a) The applicant fails to meet the requirements of this part or  
35 any regulation adopted pursuant to this part or any applicable city,  
36 county, or city and county ordinance or regulation. If a local  
37 government adopts an ordinance or resolution authorizing medical  
38 marijuana to be cultivated, manufactured, stored, distributed, or  
39 sold within its jurisdiction, it shall submit to the bureau  
40 documentation detailing their renewal requirements.

1 (b) The applicant, or any of its officers, directors, owners,  
2 members, or shareholders, is a minor.

3 (c) The applicant has knowingly answered a question or request  
4 for information falsely on the application form or failed to provide  
5 information requested.

6 (d) The applicant, or any of its officers, directors, owners,  
7 members, or shareholders has been sanctioned by the bureau, a  
8 city, county, or city and county, for medical marijuana activities  
9 conducted in violation of this part or any applicable local ordinance  
10 or has had a license revoked in the previous five years.

11 (e) The proposed cultivation, processing, possession, storage,  
12 manufacturing, testing, transporting, distribution, provision, or  
13 sale of medical marijuana will violate any applicable local law or  
14 ordinance.

15 (f) The applicant or the owner is unable to establish that he or  
16 she has been a resident of the state for not less than 12 months.

17 18115. In addition to the provisions of this part, a conditional  
18 license shall be subject to the restrictions of the local jurisdiction  
19 in which the facility operates or proposes to operate. Even if a  
20 conditional license has been granted pursuant to this part, a facility  
21 shall not operate in a local jurisdiction that prohibits the  
22 establishment of that type of business.

23 18116. The bureau may adopt regulations to limit the number  
24 of conditional licenses issued pursuant to this part upon a finding  
25 that the otherwise unrestricted issuance of conditional licenses is  
26 dangerous to the public health and safety.

27  
28 CHAPTER 3. FEES  
29

30 18117. (a) The conditional licensing fee shall be established  
31 by the bureau at a level sufficient to fund the reasonable costs of  
32 all of the following:

33 (1) Administrative costs incurred by the bureau in overseeing  
34 the conditional licensing program, establishing health and safety  
35 standards, and certifying the required testing laboratories.

36 (2) Costs incurred by the bureau or the Department of Justice  
37 for enforcement of the provisions of this part.

38 (3) Costs incurred by law enforcement and other public safety  
39 entities for enforcing the provisions of this part in their jurisdiction.

(b) In addition to the conditional licensing fee required pursuant to subdivision (a), a cultivation facility shall be assessed a fee in a sufficient amount to cover the reasonable regulatory costs *to the state* of enforcing the environmental impact provisions relating to those cultivation facilities. *This fee shall be paid in addition to any other fees charged by the bureau or any local agency.* This fee shall be distributed, as necessary and in proportion to its regulatory function, between the following agencies responsible for enforcing the regulations relating to the environmental impact of licensed cultivation sites:

- (1) The State Water Board.
- (2) The Department of Fish and Wildlife.
- (3) The Department of Forestry and Fire Protection.
- (4) The Department of Pesticide Regulation.
- (5) The Department of Food and Agriculture.

*(c) The bureau may establish a separate schedule of licensing fees for application to nonprofit entities if the entity's nonprofit status is verified by an audit.*

18118. (a) The Medical Marijuana Regulation Fund is hereby established within the State Treasury. Notwithstanding Section 16305.7 of the Government Code, the fund shall include any interest and dividends earned on the money in the fund.

(b) Except as provided in subdivision (c), all fees collected pursuant to this part shall be deposited into the Medical Marijuana Regulation Fund. Notwithstanding Section 13340 of the Government Code, all moneys within the fund are hereby continuously appropriated, without regard to fiscal year, to the bureau solely for the purposes of fully funding and administering this part, including, but not limited to, the costs incurred by the bureau for its administrative expenses.

(c) The Special Account for Environmental Enforcement is hereby established as an account within the Medical Marijuana Regulation Fund. Notwithstanding Section 16305.7 of the Government Code, the account shall include any interest and dividends earned on the money in the account. All fees collected pursuant to subdivision (b) of Section 18112 shall be deposited in this account. Notwithstanding Section 13340 of the Government Code, all moneys within the fund are hereby continuously appropriated, without regard to fiscal year, to the bureau for distribution to the entities listed in subdivision (b) of Section 18117

1 to be used to enforce the environmental regulation of licensed  
2 cultivation sites.

3 (d) All moneys collected as a result of penalties imposed under  
4 this part shall be deposited directly into the General Fund, to be  
5 available upon appropriation.

6 (e) The bureau may establish and administer a grant program  
7 to allocate moneys from the Medical Marijuana Regulation Fund  
8 to state and local entities for the purpose of assisting with medical  
9 marijuana regulation and the enforcement of this part and other  
10 state and local laws applicable to licensees.

11 18119. (a) A facility issued a conditional license shall not  
12 acquire, cultivate, process, possess, store, manufacture, distribute,  
13 sell, deliver, transfer, transport, or dispense medical marijuana for  
14 any purpose other than those authorized by Article 2.5  
15 (commencing with Section 11362.7) of Chapter 6 of Division 10  
16 of the Health and Safety Code.

17 (b) A licensed dispensing facility shall not acquire, cultivate,  
18 process, possess, store, manufacture, distribute, sell, deliver,  
19 transfer, transport, or dispense medical marijuana plants or medical  
20 marijuana products except through a licensed cultivation site or a  
21 licensed manufacturer.

22  
23 CHAPTER 4. TRANSPORTATION OF MEDICAL MARIJUANA  
24

25 18120. (a) A licensed transporter shall ship only to facilities  
26 issued a conditional license and only in response to a request for  
27 a specific quantity and variety from those facilities.

28 (b) Prior to transporting medical marijuana products, a licensed  
29 transporter shall do both of the following:

30 (1) Complete a shipping manifest using a form prescribed by  
31 the bureau.

32 (2) Securely transmit a copy of the manifest to the licensee that  
33 will receive the medical marijuana product, and to the bureau,  
34 prior to transport.

35 (c) The licensed transporter making the shipment and the  
36 licensee receiving the shipment shall maintain each shipping  
37 manifest and make it available to local code enforcement officers,  
38 any other locally designated enforcement entity, and the bureau  
39 upon request.

40 18121. (a) Transported medical marijuana products shall:

1 (1) Be transported only in a locked, safe, and secure storage  
2 compartment that is securely affixed to the interior of the  
3 transporting vehicle.

4 (2) Not be visible from outside the vehicle.

5 (b) A vehicle transporting medical marijuana products shall  
6 travel directly from one licensed facility to another licensed facility  
7 authorized to receive the shipment.

8 18122. (a) All transport vehicles shall be staffed with a  
9 minimum of two employees. At least one transport team member  
10 shall remain with the vehicle at all times when the vehicle contains  
11 medical marijuana.

12 (b) Each transport team member shall have access to a secure  
13 form of communication by which each member can communicate  
14 with personnel at the licensed facility at all times when the vehicle  
15 contains medical marijuana.

16 (c) Each transport team member shall possess documentation  
17 of licensing and a government-issued identification card at all  
18 times when transporting or delivering medical marijuana and shall  
19 produce it to any representative of the bureau or law enforcement  
20 upon request.

21 (d) This part shall not be construed to authorize or permit a  
22 licensee to transport, or cause to be transported, medical marijuana  
23 or medical marijuana products outside the state.

24 18123. A local jurisdiction shall not prevent transportation  
25 through or to a facility issued a conditional license, by a  
26 conditionally licensed transporter who acts in compliance with  
27 this part.

## 28 CHAPTER 5. ENFORCEMENT

29  
30  
31 18124. A state agency is not required by this section to enforce  
32 a city, county, city and county, or local law, ordinance, rule, or  
33 regulation regarding the site or operation of a facility issued a  
34 conditional license.

35 18125. The bureau may assist state taxation authorities in the  
36 development of uniform policies for the state taxation of licensees.

37 18126. (a) For facilities issued a conditional license that are  
38 located within the incorporated area of a city, the city shall have  
39 full power and authority to enforce this part and Article 8  
40 (commencing with Section 111658) of Chapter 6 of Part 5 of



1 Division 104 of the Health and Safety Code and the rules,  
2 regulations, and standards promulgated by the bureau. The city  
3 shall further assume complete responsibility for any regulatory  
4 function relating to those licensees within the city limits that would  
5 otherwise be performed by the county or any county officer or  
6 employee, without liability, cost, or expense to the county.

7 (b) For licensed facilities located within the unincorporated area  
8 of a county, the county shall have full power and authority to  
9 enforce this part and Article 8 (commencing with Section 111658)  
10 of Chapter 6 of Part 5 of Division 104 of the Health and Safety  
11 Code and the rules, regulations, and standards promulgated by the  
12 bureau.

13 18127. (a) A willful violation of Section 18110, including an  
14 attempt to falsify information on an application or to otherwise  
15 defraud or mislead a state or local agency in the course of the  
16 application process, shall be punishable by a civil fine of up to  
17 thirty-five thousand dollars (\$35,000) for each individual violation.

18 (b) A technical violation of Section 18110 shall, at the bureau's  
19 discretion, be punishable by a civil fine of up to ten thousand  
20 dollars (\$10,000) for each individual violation.

21 18128. A district attorney, county counsel, city attorney, or  
22 city prosecutor may bring an action to enjoin a violation or the  
23 threatened violation of any provision of this part, including, but  
24 not limited to, a licensee's failure to correct objectionable  
25 conditions following notice or as a result of a rule promulgated  
26 pursuant to this part. The action shall be brought in the county in  
27 which the violation occurred or is threatened to occur. A proceeding  
28 brought pursuant to this part shall conform to the requirements of  
29 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of  
30 the Code of Civil Procedure. Nothing in this section shall diminish  
31 the authority of a local government to take requisite enforcement  
32 actions pertaining to its own ordinances or regulations.

33 18129. Nothing in this part shall prevent a city or other local  
34 governing body from taking action as specified in Section 11362.83  
35 of the Health and Safety Code.

36 18130. This part shall not be construed to limit a law  
37 enforcement agency's ability to investigate unlawful activity in  
38 relation to a facility issued a conditional license.

## CHAPTER 6. CANNABIS EMPLOYEES

18131. (a) The Division of Labor Standards Enforcement shall do all of the following:

(1) Maintain minimum standards for the competency and training of employees of a licensed cultivation site or a licensed dispensing facility, as defined in subdivisions (i) and (j) of Section 18100, through a system of testing and certification.

(2) Maintain an advisory committee and panels as necessary to carry out its functions under this section. There shall be employer representation on the committee and panels.

(3) Establish and collect certification fees not to exceed the reasonable cost to the division in issuing certifications.

(4) Adopt regulations necessary to implement this chapter.

(5) Issue certification cards to employees who have been certified pursuant to this chapter.

(6) Maintain a cannabis certification curriculum committee made up of representatives of the State Department of Education, the California Community Colleges, and the division. The committee shall do all of the following:

(A) Establish written educational curriculum standards for enrollees in training programs. Curriculum shall include appropriate standards for the sale, processing, and cultivation of medical marijuana including standards for dispensing, growing, harvesting, packaging, labeling, preparing, transporting, delivering, testing, storage, and preventing diversion of medical marijuana and related products, including edible medical marijuana products.

(B) If an educational provider's curriculum meets the written educational curriculum standards established in accordance with subparagraph (A), designate that curriculum as an approved curriculum of classroom instruction.

(C) At the committee's discretion, review the approved curriculum of classroom instruction of any designated educational provider. The committee may withdraw its approval of the curriculum if the educational provider does not continue to meet the established written educational curriculum standards.

(D) Require each designated educational provider to submit an annual notice to the committee stating whether the educational provider is continuing to offer the approved curriculum of

1 classroom instruction and whether material changes have been  
2 made to the curriculum since its approval.

3 (b) There shall be no discrimination in favor of, or against, a  
4 person based on membership or nonmembership in a union.

5 (c) For purposes of this chapter, the following definitions apply:

6 (1) "Cannabis employee" means an employee of a licensed  
7 cultivation site or a licensed dispensing facility, as defined in  
8 subdivisions (i) and (j) of Section 18100.

9 (2) "Committee" means the cannabis curriculum certification  
10 committee established pursuant to paragraph (6) of subdivision  
11 (a).

12 (3) "Division" means the Division of Labor Standards and  
13 Enforcement.

14 18132. (a) Except as provided in subdivision (c), persons who  
15 perform work as cannabis employees shall be certified by the  
16 division.

17 (b) Individuals desiring to be certified shall submit an  
18 application for certification and examination that includes an  
19 employment history report from the Social Security Administration.  
20 The individual may redact his or her social security number from  
21 the employment history report before it is submitted.

22 (c) (1) Certification is not required for registered apprentices  
23 working as cannabis employees as part of an apprenticeship  
24 program approved under a federal Office of Apprenticeship  
25 program or a state apprenticeship program authorized by the federal  
26 Office of Apprenticeship. An apprentice who is within one year  
27 of completion of his or her term of apprenticeship shall be  
28 permitted to take the certification examination and, upon passing  
29 the examination, shall be certified immediately upon completion  
30 of the term of apprenticeship.

31 (2) Certification is not required for any person employed  
32 pursuant to Section 18134.

33 (d) The following shall constitute additional grounds for  
34 disciplinary proceedings, including suspension or revocation of  
35 the conditional license issued pursuant to this part:

36 (1) The licensed cultivation site or licensed dispensing facility  
37 willfully employs one or more uncertified persons to perform work  
38 as cannabis employees in violation of this section or Section 18134.

39 (2) The licensed cultivation site or licensed dispensing facility  
40 willfully fails to provide adequate supervision of uncertified

1 workers required by paragraph (3) of subdivision (a) of Section  
2 18134.

3 (3) The licensed cultivation site or licensed dispensing facility  
4 willfully fails to provide adequate supervision of apprentices  
5 performing work pursuant to subdivision (c).

6 (e) The Labor Commissioner shall maintain a process for  
7 referring cases to the bureau when it has been determined that a  
8 violation of this section has likely occurred. The Labor  
9 Commissioner shall have a memorandum of understanding with  
10 the bureau in furtherance of this section.

11 (f) Upon receipt of a referral by the Labor Commissioner  
12 alleging a violation under this section, the bureau shall open an  
13 investigation. Disciplinary action against the licensee shall be  
14 initiated within 60 days of the receipt of the referral. The bureau  
15 may initiate disciplinary action against a licensee upon his or her  
16 own investigation, the filing of a complaint, or a finding that results  
17 from a referral from the Labor Commissioner alleging a violation  
18 under this section. Failure of the employer or employee to provide  
19 evidence of certification or apprentice status shall create a  
20 rebuttable presumption of violation of this provision.

21 18133. The division shall do all of the following:

22 (a) Make information about cannabis employee certification  
23 available in languages other than English to the extent the division  
24 finds it appropriate.

25 (b) Provide for the administration of certification tests in Spanish  
26 and, to the extent practicable, other languages spoken by a  
27 substantial number of applicants, except when the ability to  
28 understand warning signs, instructions, and certain other  
29 information in English is necessary for safety, cultivation, and  
30 dispensing.

31 (c) Ensure, in conjunction with the California Apprenticeship  
32 Council, that all cannabis apprenticeship programs that impose  
33 minimum formal education requirements as a condition of entry  
34 provide for reasonable alternative means of satisfying those  
35 requirements.

36 (d) Ensure, in conjunction with the California Apprenticeship  
37 Council, that all cannabis apprenticeship programs have adopted  
38 reasonable procedures for granting credit toward a term of  
39 apprenticeship for other vocational training and on-the-job training  
40 experience.

1 18134. (a) An uncertified person may perform work for which  
2 certification is otherwise required in order to acquire the necessary  
3 on-the-job experience for certification if all of the following  
4 requirements are met:

5 (1) The person is registered with the division. A list of current  
6 registrants shall be maintained by the division and made available  
7 to the public upon request.

8 (2) The person either has completed or is enrolled in an approved  
9 curriculum of classroom instruction.

10 (3) The employer attests that the person shall be under the direct  
11 supervision of a cannabis employee certified pursuant to Section  
12 18131 who is responsible for supervising no more than one  
13 uncertified person. An employer who is found by the division to  
14 have failed to provide adequate supervision may be barred by the  
15 division from employing uncertified individuals in the future.

16 (b) For purposes of this section, “an approved curriculum of  
17 classroom instruction” means a curriculum of classroom instruction  
18 approved by the committee and provided under the jurisdiction of  
19 the State Department of Education, the Board of Governors of the  
20 California Community Colleges, or the Bureau for Private  
21 Postsecondary and Vocational Education.

22 (c) The committee may grant approval to an educational provider  
23 that presently offers only a partial curriculum if the educational  
24 provider intends in the future to offer, or to cooperate with other  
25 educational providers to offer, a complete curriculum for the type  
26 of certification involved. The committee may require an  
27 educational provider receiving approval for a partial curriculum  
28 to periodically renew its approval with the committee until a  
29 complete curriculum is offered and approved.

30 (d) An educational provider that receives approval for a partial  
31 curriculum shall disclose in all communications to students and  
32 to the public that the educational provider has only received  
33 approval for a partial curriculum and shall not make any  
34 representations that the provider offers a complete approved  
35 curriculum of classroom instruction.

36 (e) For purposes of this section, a person is enrolled in an  
37 approved curriculum of classroom instruction if the person is  
38 attending classes on a full-time or part-time basis toward the  
39 completion of an approved curriculum.

(f) Registration under this section shall be renewed annually and the registrant shall provide to the division certification of the classwork completed and on-the-job experience acquired since the prior registration.

(g) For purposes of verifying the information provided by a person registered with the division, an educational provider shall provide an approved curriculum of classroom instruction, and shall, upon the division's request, provide the division with information regarding the enrollment status and instruction completed by an individual registered. By registering with the division in accordance with this section, the individual consents to the release of this information.

(h) The division shall establish registration fees in an amount reasonably necessary to implement this section, not to exceed twenty-five dollars (\$25) for the initial registration. There shall be no fee for annual renewal of registration. Fees shall be placed in the Cannabis Certification Fund, established pursuant to Section 18135.

(i) Notwithstanding any other law, an uncertified person who has completed an approved curriculum of classroom instruction and is currently registered with the division may take the certification examination. The person shall be certified upon passing the examination and satisfactorily completing the requisite number of on-the-job hours required for certification. A person who passes the examination prior to completing the requisite hours of on-the-job experience shall continue to comply with subdivision (f).

18135. The Cannabis Certification Fund is established as a special account in the State Treasury. Proceeds of the fund may be expended by the division, upon appropriation by the Legislature, for the costs of validating and certifying cannabis employees, as provided by this chapter, and shall not be used for any other purpose.

#### CHAPTER 7. REGULATION OF MEDICAL MARIJUANA

18136. (a) A person shall not distribute any form of advertising for physician recommendations for medical marijuana in California unless the advertisement bears the following notice to consumers:

1 NOTICE TO CONSUMERS: The Compassionate Use Act of  
2 1996 ensures that seriously ill Californians have the right to obtain  
3 and use marijuana for medical purposes where medical use is  
4 deemed appropriate and has been recommended by a physician  
5 who has determined that the person's health would benefit from  
6 the use of medical marijuana. Physicians are licensed and regulated  
7 by the Medical Board of California and arrive at the decision to  
8 make this recommendation in accordance with accepted standards  
9 of medical responsibility.

10  
11 (b) Advertising for physician recommendations for medical  
12 marijuana shall meet all requirements of Section 651. Price  
13 advertising shall not be fraudulent, deceitful, or misleading,  
14 including statements or advertisements of bait, discounts,  
15 premiums, gifts, or statements of a similar nature.

16 18137. (a) ~~A facility issued a conditional license~~ *conditionally*  
17 *licensed facility* shall implement sufficient security measures to  
18 both deter and prevent unauthorized entrance into areas containing  
19 *medical marijuana or medical marijuana products* and theft of  
20 *medical marijuana* at those *licensed* facilities. These security  
21 measures shall, *in addition to any requirements imposed by local*  
22 *ordinance*, include, but not be limited to, all of the following:

23 (1) Preventing individuals from remaining on the premises of  
24 the facility if they are not engaging in activity expressly related to  
25 the operations of the facility.

26 (2) Establishing limited access areas accessible only to  
27 authorized facility personnel, *in compliance with all local building*  
28 *and fire codes*.

29 (3) Storing all finished *medical* marijuana in a secured and  
30 locked room, safe, or vault, and in a manner as to prevent diversion,  
31 theft, and loss.

32 (b) ~~A facility issued a conditional license~~ *conditionally licensed*  
33 *facility* shall notify appropriate law enforcement authorities within  
34 24 hours after discovering any of the following:

35 (1) Discrepancies identified during inventory.

36 (2) Diversion, theft, loss, or any criminal activity involving the  
37 facility or a facility agent.

38 (3) The loss or unauthorized alteration of records related to  
39 marijuana, registered qualifying patients, personal caregivers, or  
40 facility agents.

1 (4) Any other breach of security.

2 (c) A licensed cultivation site shall weigh, inventory, and  
3 account for on video, all medical marijuana to be transported prior  
4 to its leaving its origination location. Within eight hours after  
5 arrival at the destination, the licensed dispensing facility shall  
6 reweigh, reinventory, and account for on video, all transported  
7 marijuana.

8 18138. (a) The bureau shall require an annual audit of all  
9 ~~facilities issued a conditional license to cultivate, manufacture,~~  
10 ~~process, transport, store, or sell medical marijuana conditionally~~  
11 ~~licensed facilities~~. The reasonable costs of the audit shall be paid  
12 for by the licensee.

13 (b) Completed audit reports shall also be submitted by the  
14 licensee to local code enforcement offices, or the appropriate  
15 locally designated enforcement entity, within 30 days of the  
16 completion of the audit.

17 (c) It is the responsibility of each ~~facility issued a conditional~~  
18 ~~license conditionally licensed facility~~ to develop a robust quality  
19 assurance protocol ~~that in accordance with the regulations issued~~  
20 ~~by the bureau that, at a minimum,~~ includes all of the provisions  
21 of this part.

22 18139. (a) A laboratory certified by the bureau to perform  
23 random sample testing of medical marijuana products shall not  
24 acquire, process, possess, store, transfer, transport, or dispense  
25 medical marijuana for any purpose other than those authorized by  
26 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of  
27 Division 10 of the Health and Safety Code. All transfer or  
28 transportation shall be performed pursuant to a specified chain of  
29 custody protocol.

30 (b) A laboratory certified by the bureau to perform random  
31 sample testing of medical marijuana products shall not acquire,  
32 process, possess, store, transfer, transport, or dispense medical  
33 marijuana plants or medical marijuana products except through a  
34 patient, primary caregiver, or a facility issued a conditional license.  
35 All transfer or transportation shall be performed pursuant to a  
36 specified chain of custody protocol.

37 18140. (a) Information identifying the names of patients, their  
38 medical conditions, or the names of their primary caregivers  
39 received and contained in records kept by the bureau for the  
40 purposes of administering this part are confidential and exempt



1 from the California Public Records Act (Chapter 3.5 (commencing  
2 with Section 6250) of Division 7 of Title 1 of the Government  
3 Code) and are not subject to disclosure to an individual or private  
4 entity, except as necessary for authorized employees of the state  
5 to perform official duties pursuant to this part.

6 (b) (1) Nothing in this section shall preclude any of the  
7 following:

8 (A) Bureau employees notifying state or local agencies about  
9 information submitted to the bureau that the employee suspects is  
10 falsified or fraudulent.

11 (B) Notifications from the bureau to state or local agencies of  
12 apparent violations of this part or an applicable local ordinance.

13 (C) Verification of requests by state or local agencies to confirm  
14 licenses and certificates issued by the bureau or other state agency.

15 (D) Providing information requested pursuant to a court order  
16 or subpoena issued by a court, an administrative agency, or local  
17 governing body authorized by law to issue subpoenas.

18 (2) Information shall not be disclosed beyond what is necessary  
19 to achieve the goals of a specific investigation or notification or  
20 the parameters of a specific court order or subpoena.

21 18141. (a) The actions of a licensee, its employees, and its  
22 agents, that are permitted pursuant to *both* a conditional license  
23 *and a license or permit issued by the local jurisdiction following*  
24 *the requirements of the applicable local ordinances*, and that are  
25 conducted in accordance with the requirements of this part and  
26 regulations adopted pursuant to this part, are not unlawful under  
27 state law and shall not be an offense subject to arrest or prosecution  
28 *under state law*.

29 (b) The actions of a person who, in good faith and upon  
30 investigation, allows his or her property to be used by a licensee,  
31 its employees, and its agents, as permitted pursuant to *both* a  
32 conditional license *and a license or permit issued by the local*  
33 *jurisdiction following the requirements of the applicable local*  
34 *ordinances*, are not unlawful under state law and shall not be an  
35 offense subject to arrest or prosecution *under state law*.

36 (c) This section shall not be deemed to limit the authority or  
37 remedies of a city, county, or city and county under any provision  
38 of law, including, without limitation, Section 7 of Article XI of  
39 the California Constitution.

1 18142. (a) A licensee shall not cultivate, process, store,  
2 manufacture, transport, or sell medical marijuana in the state unless  
3 accurate records are kept at the licensed premises of the growing,  
4 processing, storing, manufacturing, transporting, or selling by the  
5 licensee in the state. These records shall include the name and  
6 address of the supplier of marijuana received or possessed by the  
7 licensee, the location at which the marijuana was cultivated, the  
8 amount of marijuana received, the form in which it is received,  
9 the name of the employee receiving it, and the date of receipt.  
10 These records shall also include receipts for all expenditures  
11 incurred by the licensee and banking records, if any, for all funds  
12 obtained or expended in the performance of any activity under the  
13 authority of the conditional license. A licensee who has a  
14 conditional license for more than one premises may keep all records  
15 at one of the conditionally licensed premises. Required records  
16 shall be kept for a period of seven years from the date of the  
17 transaction.

18 (b) The bureau and an appropriate state or local agency may  
19 examine the books and records of a conditional licensee and may  
20 visit and inspect the premises of a conditional licensee, as the  
21 bureau or state or local agency deems necessary to perform its  
22 duties under this part.

23 (c) Books or records requested by the bureau or an appropriate  
24 state or local agency shall be provided by the conditional licensee  
25 no later than five business days after the request is made.

26 (d) The bureau or a state or local agency may enter and inspect  
27 the premises of a facility issued a conditional license between the  
28 hours of 8 a.m. and 8 p.m. on any day that the facility is open, or  
29 at any reasonable time, to ensure compliance and enforcement of  
30 the provisions of this part or a local ordinance.

31 (e) If a licensee or an employee of a licensee refuses, impedes,  
32 obstructs, or interferes with an inspection pursuant to subdivision  
33 (d), the conditional license may be summarily suspended and the  
34 bureau shall directly commence proceedings for the revocation of  
35 the conditional license.

36 (f) If a licensee or an employee of a licensee fails to maintain  
37 or provide the books and records required pursuant to this section,  
38 the licensee shall be subject to a civil fine of fifteen thousand  
39 dollars (\$15,000) per individual violation.

1 SEC. 5. Section 23028 is added to the Government Code, to  
2 read:

3 23028. (a) (1) In addition to any authority otherwise provided  
4 by law, the board of supervisors of any county may impose, by  
5 ordinance, a tax on the privilege of cultivating, dispensing,  
6 producing, processing, preparing, storing, providing, donating,  
7 selling, or distributing marijuana by a licensee operating pursuant  
8 to Chapter 18 (commencing with Section 26000) of Division 9 of  
9 the Business and Professions Code. The tax may be imposed for  
10 general governmental purposes or for purposes specified in the  
11 ordinance by the board of supervisors.

12 (2) The board of supervisors shall specify in the ordinance  
13 proposing the tax the activities subject to the tax, the applicable  
14 rate or rates, the method of apportionment, and the manner of  
15 collection of the tax. A tax imposed pursuant to this section is a  
16 tax and not a fee or special assessment, and the tax is not required  
17 to be apportioned on the basis of benefit to any person or property  
18 or be applied uniformly to all taxpayers or all real property.

19 (3) A tax imposed by a county pursuant to this section by a  
20 county may include a transactions and use tax imposed solely for  
21 marijuana or marijuana products, which shall otherwise conform  
22 to Part 1.6 (commencing with Section 7251) of Division 2 of the  
23 Revenue and Taxation Code. Notwithstanding Section 7251.1 of  
24 the Revenue and Taxation Code, the tax may be imposed at any  
25 rate specified by the board of supervisors, and the tax rate  
26 authorized by this section shall not be considered for purposes of  
27 the combined tax rate limitation established by that section.

28 (4) The tax authorized by this section may be imposed upon  
29 any or all of the activities set forth in paragraph (1), regardless of  
30 whether the activity is undertaken individually, collectively, or  
31 cooperatively, and regardless of whether the activity is for  
32 compensation or gratuitously, as determined by the board of  
33 supervisors.

34 (5) The board of supervisors shall specify whether the tax applies  
35 throughout the entire county or within the unincorporated area of  
36 the county.

37 (b) In addition to any other method of collection authorized by  
38 law, the board of supervisors may provide for the collection of the  
39 tax imposed pursuant to this section in the same manner, and

1 subject to the same penalties and priority of lien, as other charges  
2 and taxes fixed and collected by the county.

3 (c) Any tax imposed pursuant to this section shall be subject to  
4 applicable voter approval requirements imposed by any other law.

5 (d) For purposes of this section, “marijuana” shall have the *same*  
6 meanings set forth in Section 18100 of the Business and  
7 Professions Code.

8 (e) This section does not limit or prohibit the levy or collection  
9 or any other fee, charge, or tax, or any license or service fee or  
10 charge upon, or related to, the activities set forth in subdivision

11 (a) as otherwise provided by law. This section shall not be  
12 construed as a limitation upon the taxing authority of any county  
13 as provided by other law.

14 SEC. 6. Section 11362.775 of the Health and Safety Code is  
15 amended to read:

16 11362.775. (a) Qualified patients, persons with valid  
17 identification cards, and the designated primary caregivers of  
18 qualified patients and persons with identification cards, who  
19 cultivate marijuana for medical purposes, shall not solely on the  
20 basis of that fact be subject to state criminal sanctions under

21 Section 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570.

22 (b) An individual employee, officer, or board member of a  
23 facility issued a conditional license pursuant to Part 5 (commencing  
24 with Section 18100) of Division 7 of the Business and Professions  
25 Code shall not be subject to state criminal sanctions under Section  
26 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570 and any  
27 successor statutes, based solely on holding a conditional license,  
28 for the possession, cultivation, processing, packaging, storage,  
29 transportation, sale, or distribution of medical marijuana to a  
30 facility holding a conditional license pursuant to Part 5  
31 (commencing with Section 18100) of Division 7 of the Business  
32 and Professions Code or directly to a qualified patient, a person  
33 with a valid identification card, or the designated primary caregiver  
34 of a qualified patient or person with a valid identification card,  
35 within the state, unless the information contained on the licensing  
36 paperwork is false or falsified, the license has been obtained by  
37 means of fraud, or the person is otherwise in violation of Part 5  
38 (commencing with Section 18100) of Division 7 of the Business  
39 and Professions Code.

1 (c) This section shall not diminish the protections of Section  
2 18141 of the Business and Professions Code.

3 SEC. 7. Article 8 (commencing with Section 111658) is added  
4 to Chapter 6 of Part 5 of Division 104 of the Health and Safety  
5 Code, to read:

6  
7 Article 8. Medical Marijuana  
8

9 111658. For ~~purpose~~ *purposes* of this article, the following  
10 definitions shall apply:

11 (a) “Bureau” means the Bureau of Medical Marijuana  
12 Regulations in the Department of Consumer Affairs.

13 (b) “Certified testing laboratories” means a laboratory that is  
14 certified by the bureau to perform random sample testing of  
15 medical marijuana for patients, primary caregivers, and facilities  
16 issued conditional licenses pursuant to Part 5 (commencing with  
17 Section 18100) of Division 7 of the Business and Professions Code,  
18 pursuant to the certification standards for those facilities  
19 promulgated by the bureau.

20 (c) “Edible medical marijuana product” means medical  
21 marijuana or a medical marijuana-derived product that is ingested  
22 or meant to be ingested through the mouth and into the digestive  
23 system.

24 (d) “Marijuana” means all parts of the plant *Cannabis sativa* L.  
25 *sativa*, *cannabis indica*, or *cannabis ruderalis*, whether growing or  
26 not; the seeds thereof; the resin, whether crude or purified,  
27 extracted from any part of the plant; and every compound,  
28 manufacture, salt, derivative, mixture, or preparation of the plant,  
29 its seeds, or resin. “Marijuana” does not include the mature stalks  
30 of the plant, fiber produced from the stalks, oil or cake made from  
31 the seeds of the plant, any other compound, manufacture, salt,  
32 derivative, mixture, or preparation of the mature stalks (except the  
33 resin extracted therefrom), fiber, oil, or cake, or the sterilized seed  
34 of the plant which is incapable of germination. “Marijuana” also  
35 means marijuana, as defined by Section 11018.

36 (e) “Labor peace agreement” means an agreement between an  
37 entity and a bona fide labor organization that, at a minimum,  
38 protects the state’s proprietary interests by prohibiting labor  
39 organizations and members from engaging in picketing, work  
40 stoppages, boycotts, and any other economic interference with the

1 applicant's business. This agreement means that the applicant has  
2 agreed not to disrupt efforts by the bona fide labor organization  
3 to communicate with, and attempt to organize and represent, the  
4 applicant's employees.

5 (f) "Representative samples" means samples taken from each  
6 batch or shipment of medical marijuana received from a licensed  
7 cultivation site or any other source if intended for sale.

8 111659. The bureau, by July 1, 2017, shall accomplish both  
9 of the following:

10 (a) Establish quality assurance protocols to ensure uniform  
11 testing standards for all medical marijuana sold via dispensaries  
12 or other facilities, or cultivated or manufactured by facilities, that  
13 are issued a conditional license pursuant to Part 5 (commencing  
14 with Section 18100) of Division 7 of the Business and Professions  
15 Code.

16 (b) In consultation with outside entities at its discretion, develop  
17 a list of certified testing laboratories that can perform uniform  
18 testing in compliance with this article, and post that list on its  
19 Internet Web site.

20 111660. (a) A facility issued a conditional license pursuant to  
21 Part 5 (commencing with Section 18100) of Division 7 of the  
22 Business and Professions Code shall bear the responsibility for  
23 contracting with certified testing laboratories for regular, ~~systematic~~  
24 *random sample* testing of representative samples of all medical  
25 marijuana cultivated or intended for sale or distribution, and shall  
26 bear the cost of that testing.

27 (b) A facility issued a conditional license pursuant to Part 5  
28 (commencing with Section 18100) of Division 7 of the Business  
29 and Professions Code shall maintain records of testing reports for  
30 seven years, either on site in a digital format or at a secure off-site  
31 location in either digital or paper format. These facilities shall  
32 provide results of test reports to local code enforcement officers,  
33 any other locally designated enforcement entity, and the bureau  
34 upon request.

35 111661. Quality assurance protocols shall be required between  
36 all licensed cultivation sites, licensed manufacturers, and licensed  
37 dispensing facilities to guarantee safe and reliable medicinal  
38 marijuana delivery to all patients. These quality assurance protocols  
39 shall include:

1 (a) Providing supplier information to dispensaries in order for  
2 recall procedures to be implemented, if and when necessary.

3 (b) Safety testing of all medical marijuana prior to packaging  
4 for sale and patient exposure to identify and eliminate  
5 microbiological contaminants and chemical residue.

6 (c) Labeling of all medical marijuana and medical marijuana  
7 products that shall, at a minimum, include the following:

8 (1) List of pharmacologically active ingredients, including, but  
9 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)  
10 content, clear recommended dosage, and the size or volume of the  
11 recommended dose.

12 (2) Clear indication, in bold font, that the product contains  
13 medical marijuana.

14 (3) The statement “FOR MEDICAL USE ONLY. KEEP OUT  
15 OF REACH OF CHILDREN AND ANIMALS” in bold print.

16 (4) Identification of the source and date of cultivation and  
17 manufacture.

18 (5) The name and location of the dispensary providing the  
19 product.

20 (6) The date of sale.

21 (7) Any other requirements set by the bureau.

22 111662. For purposes of this article, edible medical marijuana  
23 products are deemed to be unadulterated food products. In addition  
24 to the quality assurance standards provided in Section 111661, all  
25 edible medical marijuana products shall comply with the following  
26 requirements:

27 (a) Baked edible medical marijuana products, including, but not  
28 limited to, brownies, bars, cookies, and cakes, tinctures, and other  
29 edible medical marijuana products that do not require refrigeration  
30 or hot holding may be manufactured, sold, or otherwise distributed  
31 at facilities issued a conditional license pursuant to Part 5  
32 (commencing with Section 18100) of Division 7 of the Business  
33 and Professions Code.

34 (b) A facility issued a conditional license pursuant to Part 5  
35 (commencing with Section 18100) of Division 7 of the Business  
36 and Professions Code shall have an owner or employee who has  
37 successfully passed an approved and accredited food safety  
38 certification examination as specified in Sections 113947.1,  
39 113947.2, and 113947.3 prior to selling, manufacturing, or

1 distributing edible medical marijuana products requiring  
2 refrigeration or hot holding.

3 (c) Individuals manufacturing or selling edible medical  
4 marijuana products shall thoroughly wash their hands before  
5 commencing production and before handling finished edible  
6 medical marijuana products.

7 (d) All edible medical marijuana products sold for direct  
8 consumption and infused with marijuana concentrate shall be  
9 individually wrapped at the original point of preparation. The  
10 products shall be packaged in a fashion that does not exceed a  
11 single dosage for one individual.

12 (e) Products containing tetrahydrocannabinol (THC) shall be  
13 prepared in compliance with maximum potency standards for THC  
14 and THC concentrates set forth in the bureau's regulations.

15 (f) Prior to sale or distribution at a licensed dispensing facility,  
16 edible medical marijuana products shall be labeled and in an  
17 opaque and tamper evident package. Labels and packages of edible  
18 medical marijuana products shall meet the following requirements:

19 (1) Edible medical marijuana packages and labels shall not be  
20 made to be attractive to children.

21 (2) All edible medical marijuana product labels shall include  
22 the following information, prominently displayed and in a clear  
23 and legible font:

24 (A) Manufacture date and source.

25 (B) The statement "KEEP OUT OF REACH OF CHILDREN  
26 AND ANIMALS" in bold print.

27 (C) The statement "FOR MEDICAL USE ONLY."

28 (D) Net weight of medical marijuana in package.

29 (E) A warning if nuts or other known allergens are used and  
30 shall include the total weight, in ounces or grams, of medical  
31 marijuana in the package.

32 (F) List of pharmacologically active ingredients, including, but  
33 not limited to, tetrahydrocannabinol (THC) and cannabidiol (CBD)  
34 content, clear recommended dosage, and the size or volume of  
35 recommended dose.

36 (G) Any other requirement set by the bureau.

37 (g) Photos or images of food are not allowed on edible medical  
38 marijuana product packages or labels.

39 (h) Only generic food names may be used to describe edible  
40 medical marijuana products.



1 SEC. 8. Section 1155.7 of the Labor Code is amended to read:  
2 1155.7. (a) Nothing in this chapter shall be construed to apply  
3 or be applicable to a labor organization in its representation of  
4 workers who are not agricultural employees. Any such labor  
5 organization shall continue to be governed in its intrastate activities  
6 for nonagricultural workers by Section 923 and applicable judicial  
7 precedents.

8 (b) To the extent not prohibited by law and for purposes of this  
9 chapter, “agricultural employer” includes a licensed cultivation  
10 site or a licensed dispensing facility, as defined in subdivisions (i)  
11 and (j) of Section 18100 of the Business and Professions Code.

12 SEC. 9. Section 1158.5 is added to the Labor Code, to read:

13 1158.5. (a) The Division of Occupational Safety and Health  
14 in the Department of Industrial Relations shall develop  
15 industry-specific regulations related to the activities of facilities  
16 issued a conditional license pursuant to Part 5 (commencing with  
17 Section 18100) of Division 7 of the Business and Professions Code,  
18 including provisions for the establishment of labor peace  
19 agreements and an apprenticeship program to ensure professional  
20 standards among industry employees.

21 (b) The regulations shall govern agreements between a facility  
22 *with more than 20 employees* issued a conditional license and a  
23 bona fide labor organization prohibiting labor organizations and  
24 members from engaging in picketing, work stoppages, boycotts,  
25 and other economic interference with the licensee’s business. The  
26 regulations shall also govern agreements whereby the licensee  
27 *with more than 20 employees* has agreed not to disrupt efforts by  
28 the bona fide labor organization to communicate with, and attempt  
29 to organize and represent, the licensee’s employees.

30 SEC. 10. Section 3094 is added to the Labor Code, to read:

31 3094. The Division of Apprenticeship Standards shall  
32 investigate, approve, or reject applications for apprenticeship  
33 programs for employees of a licensed cultivation site or a licensed  
34 dispensing facility, as defined in subdivisions (i) and (j) of Section  
35 18100 of the Business and Professions Code. The Division of  
36 Apprenticeship Standards shall have the authority to issue rules  
37 necessary to implement and regulate the establishment of the  
38 apprenticeship programs described in this section.

39 SEC. 11. The provisions of this act are severable. If any  
40 provision of this act or its application is held invalid, that invalidity

1 shall not affect other provisions or applications that can be given  
2 effect without the invalid provision or application.

3 SEC. 12. The Legislature finds and declares that Section 4 of  
4 this act imposes a limitation on the public's right of access to the  
5 meetings of public bodies or the writings of public officials and  
6 agencies within the meaning of Section 3 of Article I of the  
7 California Constitution. Pursuant to that constitutional provision,  
8 the Legislature makes the following findings to demonstrate the  
9 interest protected by this limitation and the need for protecting  
10 that interest:

11 The limitation imposed under this act is necessary for purposes  
12 of compliance with the federal Health Insurance Portability and  
13 Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the  
14 Confidentiality of Medical Information Act (Part 2.6 (commencing  
15 with Section 56) of Division 1 of the Civil Code), and the Insurance  
16 Information and Privacy Protection Act (Article 6.6 (commencing  
17 with Section 791) of Part 2 of Division 1 of the Insurance Code).

18 SEC. 13. No reimbursement is required by this act pursuant to  
19 Section 6 of Article XIII B of the California Constitution because  
20 the only costs that may be incurred by a local agency or school  
21 district will be incurred because this act creates a new crime or  
22 infraction, eliminates a crime or infraction, or changes the penalty  
23 for a crime or infraction, within the meaning of Section 17556 of  
24 the Government Code, or changes the definition of a crime within  
25 the meaning of Section 6 of Article XIII B of the California  
26 Constitution.